

THE PORT AUTHORITY OF NY & NJ

AVIATION DEPARTMENT

9584
DA

Correspondence

June 3, 1996

Gerald P. FitzGerald
Director

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Hon. Charles A. Hunnicutt
Assistant Secretary for Aviation
and International Affairs
Department of Transportation
400 Seventh St. S.W.
Washington, D.C. 20590

057-95-618-46

DEPT. OF TRANSPORTATION
DOCKET SECTION
96 JUN -7 PM 12:24

Re: Order 96-5-26

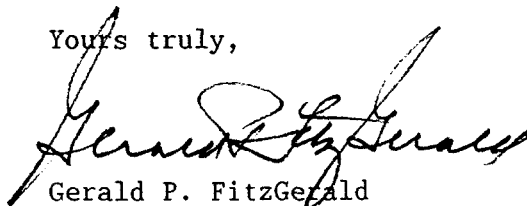
Dear Mr. Hunnicutt:

The Port Authority of New York and New Jersey has reviewed the Order to Show Cause tentatively granting approval of and antitrust immunity for the Alliance Agreements among Delta, Swissair, Sabena and Austrian airlines and wishes to comment on one aspect of your tentative conclusions.

We generally agree with your conclusion that the potential for entry in the New York-Brussels/Zurich/Geneva/Vienna markets, combined with actual competition, should not result in serious competitive harm to passengers in these markets. We note the findings that New York is the largest Origin and Destination traffic generating point in the U.S.-Europe market and that a potential new entrant would not have to overcome a Delta-dominated international or domestic hub at John F. Kennedy International Airport.

However, we note that the issue of slot availability at Kennedy Airport has not been addressed and we are concerned that the provisions of the High Density Rule regarding the allocation of slots for international operations could be a significant obstacle to new entrants. We recommend that the final order commit the Department to providing the necessary slots to commence new service in these city-pairs. Such slots should be provided on an exemption basis, since vacant slots are generally unavailable in the peak arrival and departure times and the withdrawal of domestic slots would be detrimental to the airport. The applicant also should not have to comply with the filing dates mandated by the rule.

Yours truly,



Gerald P. FitzGerald
Director
Aviation Department

cc: Delta Air Lines
Swissair
Sabena
Austrian